# PCA – Process Habilitation Waiver Cost Report and Perform Desk Review or Field Audit and Cost Settlement

**Purpose:** Review the cost report using desk review or field audit procedures to determine if reported costs are allowable and reasonable for Habilitation Waiver providers and calculate cost settlement. Form 470-4425, Financial and Statistical Report is due 90 days after the end of the provider's fiscal year.

## Identification of Roles:

1. <u>Accounting Assistant</u> – reviews the cost report to determine if all the necessary information was completed and received. Imports/data enters cost report. Also reviews the reported items to make sure it foots and ties out to supporting documentation.
2. <u>Staff Accountant</u> – performs desk review or field audit procedures to determine reasonable and allowable costs and calculates cost settlement.
3. <u>Senior Accountant</u> – may perform desk review procedures, performs field audit procedures and may perform first reviews.
4. <u>Supervisor</u> – may perform first review of desk review and/or field audit procedures and performs final review of desk review and/or field audit procedures, adjustments and cost settlement.
5. <u>Manager</u> – performs final review of desk review and/or field audit procedures, adjustments and cost settlement.

## Performance Standards:
Settle cost reports for remedial service providers, habilitation waiver service providers, and community mental health centers within six months after receipt of the submitted Medicaid cost report.

## Path of Business Procedure:
Step 1: Mail cost report due letter to providers. Letter is located on the Provider Cost audit share drive.
Step 2: Cost reports are submitted by remedial service providers. Mailroom receives Cost Report and scans into On-Base or e-mail with electronic attachment is received directly by Provider Cost Audit. If electronic version is received in mailroom, then the disk is sent to Provider Cost Audit.
Step 3: Postmark date of Cost Report is scanned into On-Base.

Step 4:    Receive notification from OnBase that cost report is ready for processing
Step 5:    Receive hard copy or electronic version of Cost Report from mailroom.
Step 6:    Perform preliminary review.
Step 7:    Log receipt of Cost Report in status log in Access and the Iowa Medicaid Cost and Rate System (IMCARS).
Step 8:    Send "Cost Report Acknowledgment" letter to agency.  Letter is located on the Provider Cost Audit share drive.
Step 9:    Cost Report information is data entered/imported into IMCARS.
Step 10:   Review Cost Report for mathematical accuracy and completeness and note exceptions.
Step 11:   Log support staff review complete date in status log in Access and IMCARS.
Step 12:   Review permanent file and prior year findings by the accountant.
Step 13:   Perform risk assessment using analytical procedures and make a scope determination.
Step 14:   Request claim summary from data warehouse via electronic mail.
Step 15:   Generate IAMM Cost Settlement Summary reports in MMIS as needed.
Step 16:   Retrieve IAMM Cost Settlement Summary reports in saved in OnBase as needed.
Step 17:   Perform desk review and/or field audit.
Step 18:   Make necessary adjustments to reported data.
Step 19:   Prepare adjustment workpaper and determine allowable costs.
Step 20:   Calculate Actual Rate and interim rate adjustment.
Step 21:   Log accountant review complete date in status log in Access and IMCARS.
Step 22:   Perform first review of procedures, adjustments and actual rate.
Step 23:   Log first review complete date in status log in Access and IMCARS.
Step 24:   If field audit, perform final review of procedures, adjustments and actual rate.
Step 25:   Send notice of adjustments to provider via mail, if necessary
Step 26:   Review provider comments, if necessary.
Step 27:   Send actual rate notification and interim rate adjustment to provider via mail.
Step 28:   Log date of rate notification in status log in Access and IMCARS.
Step 29:   Send rate file with effective date to MMIS and Individualized Services Information System (ISIS) to be imported via System Action Memo (SAM).
Step 30:   Complete mass adjustment request form in OnBase and send to CORE.
Step 31:   Review and release mass adjustment.
Step 32:   Log mass adjustment release date in status log in Access and IMCARS.
Step 33:   Give quarterly "Agreed Upon Procedure" Report to the Department of Human Services (DHS).
Step 34:   Log date report sent in status log in Access and IMCARS.


## Forms/Reports:

1.    Form 470-4425, Financial and Statistical Report.
2.    Provider workpapers.
3.    Data warehouse Claims Summary Report
4.    IAMM Cost Settlement Summary reports from Core MMIS.

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5.      Desk Review/Field Audit/Cost Settlement program and workpapers.
6.      Actual Rate Worksheet.
7.      Mass Adjustment Request Form

## RFP References:
Section 6.7.1.2b

## Interfaces:
IME Core unit
Medicaid Management Information System (MMIS)
Individualized Services Information System (ISIS)
OnBase
Iowa Medicaid Cost and Reporting System (IMCARS)

## Attachments:
Form 470-4425 –
http://www.ime.state.ia.us/docs/HabilitationWaiverCostReport.xls

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